

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4193-05  
Bill No.: HCS for HB 1792  
Subject: Business and Commerce; Salaries; Employees- Employers  
Type: Original  
Date: April 14, 2010

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Bill Summary: Allows an employer to pay an employee under the age of 20 a wage rate that is not less than 75% of the Missouri minimum wage as long as the wage is not lower than the applicable minimum wage under federal law.

**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Office of Administration (OA)** assume the proposed legislation provides for the option, but does not require the use of, a sub-minimum wage. It would be difficult, with any accuracy, to identify how many employees under the age of 20 that the agencies would hire. Similarly, OA doesn't know how many employers would utilize the proposed sub-minimum wage rates. Therefore, a fiscal impact is not being provided.

Officials at the **Missouri Department of Conservation, Missouri Department of Transportation, Department of Corrections, Office of the State Public Defender** and the **Department of Labor and Industrial Relations** assume that there is no fiscal impact from this proposal.

Officials at the **Office of the Attorney General (AGO)** assume this proposal creates a new procedure by which complaints regarding suspected violations would come directly to AGO, which shall investigate all such complaints. Therefore, AGO assumes the proposal would require one additional investigator. FY 11 costs are estimated to be \$59,647; FY 12 costs are estimated to be \$72,070; and FY 13 costs are estimated to be \$74,230.

**Oversight** assumes the AGO would not need an additional investigator as the current wage rates exceed the minimum wage and there would be very few, if any, violations of the provisions of the proposal. However, if, at a later date, the AGO began to receive a significant enough number of complaints to warrant hiring additional staff, the AGO could seek additional funding through the appropriations process.

Officials from the **Office of Prosecution Services** did not respond to our request for a statement of fiscal impact.

**Oversight** assumes the program expires on August 28, 2013.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2011  
(10 Mo.)

FY 2012

FY 2013

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

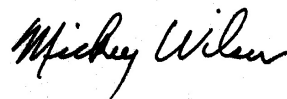
The proposed legislation appears to have no fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Labor and Industrial Relations  
Missouri Department of Conservation  
Missouri Department of Transportation  
Office of Administration  
Office of the Attorney General  
Office of the State Public Defender  
Department of Corrections

**NOT RESPONDING: Office of Prosecution Services**



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Director

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